

## Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 NEA-10 AF-10 SCI-06 SCEM-02

INT-08 SS-20 NSC-10 SPC-03 L-03 H-03 CIAE-00 INR-10

NSAE-00 RSC-01 PRS-01 COME-00 TRSE-00 OMB-01 CIEP-02

DRC-01 /128 W

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P R 271706Z DEC 73

FM AMEMBASSY BERN

TO SECSTATE WASHDC PRIORITY 8557

INFO USMISSION OECD PARIS

C O N F I D E N T I A L BERN 5183

DEPT PASS OECD AND OPEC CAPITALS IF CONSIDERED USEFUL

E.O. 11652: GDS

TAGS: ENGR, OECD, OPEC, SZ

SUBJECT: OPEC PRICE INCREASE

REF: STATE 249382; STATE 249803

1. IN VIEW EXODUS FROM BERN OF VIRTUALLY ALL SENIOR GOS OFFICIALS OVER LONG HOLIDAY WEEKEND, EMBASSY UNABLE CARRY OUT INSTRUCTIONS REFTELS PRIOR DEC 27. DCM AND ECONOMIC COUNSELOR MET SEPARATELY TODAY WITH ACTING CHIEF OF MIDDLE EASTERN AFFAIRS IN FEDERAL POLITICAL DEPARTMENT (INDERMUHLE) AND OECD/EXTERNAL ENERGY AFFAIRS CHIEF IN DIVISION OF COMMERCE (LEVY) TO INFORM GOS OF WHAT USG HAD DONE AND TO SEEK ITS SUPPORT.

2. BOTH OFFICIALS EXPRESSED APPRECIATION AT BEING INFORMED OF US REPRESENTATIONS IN OPEC CAPITALS AND GREAT INTEREST IN LEARNING OF RESPONSES. WHILE TEHRAN DECISION MAY HAVE INVOLVED PRICE INCREASES LESS THAN HAD BEEN FEARED, BOTH OFFICIALS NOTED SIGNIFICANT IMPACT ON SWITZERLAND AND OTHER CONSUMER COUNTRIES. LEVY SAID INTER-AGENCY  
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MEETING MORNING DEC 27 HAD TRIED ESTIMATE IMPACT OF

TEHRAN PRICE DECISION AND SEPARATE OAPEC KUWAIT EMBARGO DECISION AND HAD COME UP WITH FIGURE OF \$750-1000 MILLION AS ADDITIONAL CUMULATIVE BALANCE OF PAYMENTS IMPACT ON SWITZERLAND OF LAST SEVERAL PRICE INCREASES.

3. BOTH OFFICIALS PROMISED CONSULT FURTHER WITHIN GOS RE US APPROACH, BUT THOUGHT SWITZERLAND WOULD BE HESITANT TAKE ANY ACTION WITH OPEC GOVERNMENTS ON BILATERAL BASIS AT THIS TIME.

4. LEVY EXPRESSED GREAT INTEREST IN CONTINUING EXCHANGE OF VIEWS AND INFORMATION, PARTICULARLY IN CONNECTION JAN 7 OPEN MINISTERIAL IN GENEVA. HE SAID SWITZERLAND HAD FOR SOME TIME PRIOR PRESENT CRISIS THOUGHT THAT GREATER MULTILATERAL APPROACH TO OIL MATTERS WAS NEEDED INVOLVING BOTH CONSUMERS AND PRODUCERS. THUS, HE EXPRESSED SOME SUPPORT FOR OECD-OPEC DIALOGUE AND POSSIBLE CREATION WITHIN OECD OF BODY SIMILAR TO DEVELOPMENT ASSISTANCE COMMITTEE IN AID FIELD. HE NOTED LDCS HAD BEEN AGAINST SETTING UP THAT BODY IN EARLY 1960'S BUT HAD SINCE FOUND GREAT VALUE IN HAVING COORDINATING MECHANISM AND POINT OF DIALOGUE WITH AID GIVERS. LEVY EXPRESSED HOPE THAT POLITICAL PROBLEMS WHICH HAD IN PAST PREVENTED GREATER WESTERN COUNTRY COORDINATION ON OIL POLICY COULD BE SURMOUNTED.

5. LEVY SAID THAT GREATEST PROBLEM FOR GOS AT MOMENT IS THAT OF OBTAINING RELIABLE INFORMATION AND IN KNOWING WHAT SITUATION WILL BE WEEKS OR MONTHS IN FUTURE SO THAT DECISIONS CAN BE TAKEN ON APPROPRIATE MEASURES. PSYCHOLOGICAL ACTIONS ARE ESSENTIAL TO ASSURE PUBLIC BUT LEVY SAID MOST EFFECTIVE SWISS ACTION THUS FAR HAS BEEN RATIONING AT IMPORTER/DISTRIBUTOR LEVEL. (BERN 4772.)

DAVIS

NOTE BY OC/T: NOT PASSED ABOVE ADDRESSEES.

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## Message Attributes

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**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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**TAGS:** ENRG, SZ, OECD, OPEC  
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